

**DISCLAIMER**

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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 14, 1999

Application of

VIRGINIA GAS DISTRIBUTION COMPANY

CASE NO. PUE990531

For a general rate increase

ORDER FOR NOTICE AND HEARING

On August 25, 1999, Virginia Gas Distribution Company ("VGDC" or "Company") applied for a general increase in rates. The application states that the proposed rates are designed to recover non-gas revenues of approximately \$300,000, which it proposes to recover over a two year phase-in period. One half of the non-gas revenue requirement, or \$150,000, is proposed to be recovered during the first year that the rate increase becomes effective. The full effect of the Company's increase would be phased-in at the start of the second year. The Company proposes to implement the new rates and charges on January 15, 2000, or soon thereafter.

The Company also proposes revisions to the general terms and provisions of its tariffs to reflect a purchased gas adjustment in its basic rate structure.

NOW THE COMMISSION, having considered the application and applicable statutes, is of the opinion that the application

should be docketed, and the procedures should be established for notice, investigation, and hearing. The Commission will suspend the proposed revised rates and charges through January 22, 2000, while the reasonableness of those rates and charges are investigated.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUE990531.

(2) As provided by § 56-238 of the Code of Virginia, VGDC's proposed revised rates and charges shall be suspended for a period of 150 days from the date of the filing of the above-captioned application and shall take effect for service rendered on and after January 23, 2000, subject to refund with interest.

(3) As provided by § 12.1-31 of the Code of Virginia and Rule 7:1 of the Commission's Rules of Practice and Procedure ("the Rules"), 5 VAC 5-10-520, a Hearing Examiner shall be assigned to conduct further proceedings on behalf of the Commission and to file a final report with a transcript of this proceeding.

(4) A public hearing shall be held on this application beginning at 10:00 a.m. on Wednesday, February 2, 2000, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

(5) VGDC shall promptly make a copy of its application and supporting materials available for public inspection during regular business hours at the Company's main office in Abingdon, Virginia, and at the following locations:

Buchanan County  
Office of the County Administrator  
Contact Person: William Caudill  
County Courthouse, 4th Floor  
Corners Walnut & Main Streets  
Grundy, Virginia 24614  
Hours of Operation: 8:30 a.m. - 5:00 p.m.  
Monday through Friday

Dickenson County  
Office of the County Administrator  
Contact Person: B.L. Ratliff  
Main Street  
Clintwood, Virginia 24228  
Hours of Operation: 8:30 a.m. - 4:30 p.m.  
Monday through Friday

Russell County  
Office of the County Administrator  
Contact Person: James Gillespie  
Russell County Courthouse  
121 East Main Street  
Lebanon, Virginia 24266  
Hours of Operation: 8:30 a.m. - 4:30 p.m.  
Monday through Friday

Tazewell County  
Office of the County Administrator  
Contact Person: Richard Farthing  
315 School Street  
Tazewell, Virginia 24651  
Hours of Operation: 8:00 a.m. - 4:30 p.m.  
Monday through Friday

Town of Lebanon  
Office of the Town Manager  
Contact Person: Michael Duty  
Town Hall, 542 Old Fincastle Road  
P.O. Drawer 309

Lebanon, Virginia 24266  
Hours of Operation: 8:00 a.m. - 5:00 p.m.  
Monday through Friday

Town of Saltville  
Office of the Town Manager  
Contact Person: John E.B. Clark, Jr.  
217 Palmer Avenue  
Saltville, Virginia 24370  
Hours of Operation: 8:30 a.m. - 5:00 p.m.  
Monday through Friday

(6) Any interested person wishing to comment on the application shall, on or before November 1, 1999, address such comments to: Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. PUE990531.

(7) On or before November 1, 1999, all notices of protest, as required by Rule 5:16(a) of the Rules, 5 VAC 5-10-420(a), shall be filed with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and a copy simultaneously served on counsel to VGDC, JoAnne L. Nolte, Esquire, Penn, Stuart, & Eskridge, P.O. Box 617, Richmond, Virginia 23218-0617.

(8) Within five (5) days of receipt of a notice of protest, VGDC shall serve upon the filer a copy of this Order, its application, supporting testimony and exhibits, unless copies of the material have already been provided to that person.

(9) On or before December 6, 1999, each Protestant shall file with the Clerk an original and fifteen (15) copies of its protest, as required by Rule 5:16(b), 5 VAC 5-10-420(b), and an original and fifteen (15) copies of the testimony and exhibits that it intends to offer in support of its protest, and shall serve one (1) copy of the protest, testimony, and exhibits on counsel to VGDC and on all other parties.

(10) The Commission Staff shall investigate the application and, on or before December 22, 1999, shall file with the Clerk an original and fifteen (15) copies of the testimony and exhibits that it intends to offer and shall serve one (1) copy on all parties.

(11) On or before January 20, 2000, VGDC may file with the Clerk an original and fifteen (15) copies of any rebuttal testimony and exhibits that it intends to offer in response to testimony and exhibits previously filed and shall serve one (1) copy on all parties.

(12) The Company shall respond to written interrogatories or requests for the production of documents and things within ten (10) calendar days after the receipt of the same. Except as so modified, discovery shall be in accordance with Part VI of the Commission's Rules of Practice and Procedure.

(13) VGDC shall publish the following notice as display advertising (not classified) once a week for two (2) consecutive

weeks in newspapers of general circulation in its service territory, publication to be completed by October 15, 1999:

NOTICE TO THE PUBLIC OF AN APPLICATION  
FOR A GENERAL INCREASE IN RATES BY  
VIRGINIA GAS DISTRIBUTION COMPANY  
CASE NO. PUE990531

On August 25, 1999, Virginia Gas Distribution Company ("VGDC" or "Company") applied for a general increase in rates. The application states that the proposed rates are designed to recover non-gas revenues of approximately \$300,000, which it proposes to recover over a two year phase-in period. One half of the non-gas revenue requirement, or \$150,000, is proposed to be recovered during the first year that the rate increase becomes effective. The full effect of the Company's increase would be phased-in at the start of the second year. The Company's proposed rates and charges shall become effective for service rendered on and after January 23, 2000, subject to refund with interest.

The Company also proposes revisions to the general terms and provisions of its tariffs to reflect a purchased gas adjustment in its basic rate structure.

While the total revenue requirement that may be approved is limited to the amount of additional revenue produced by the Company's proposed rates, PLEASE TAKE NOTICE that individual rates and charges approved by the Commission may be either higher or lower than those proposed by the Company.

The Commission has scheduled a public hearing to begin at 10:00 a.m. on Wednesday, February 2, 2000, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia, to hear evidence relevant to the Company's application.

Copies of VGDC's application and accompanying materials are available for public inspection during regular business hours at VGDC's main office in Abingdon, Virginia, and at the following locations:

Buchanan County  
Office of the County Administrator  
Contact Person: William Caudill  
County Courthouse, 4th Floor  
Corners Walnut & Main Streets  
Grundy, Virginia 24614  
Hours of Operation: 8:30 a.m. - 5:00 p.m.  
Monday through Friday

Dickenson County  
Office of the County Administrator  
Contact Person: B.L. Ratliff  
Main Street  
Clintwood, Virginia 24228  
Hours of Operation: 8:30 a.m. - 4:30 p.m.  
Monday through Friday

Russell County  
Office of the County Administrator  
Contact Person: James Gillespie  
Russell County Courthouse  
121 East Main Street  
Lebanon, Virginia 24266  
Hours of Operation: 8:30 a.m. - 4:30 p.m.  
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Office of the County Administrator  
Contact Person: Richard Farthing  
315 School Street  
Tazewell, Virginia 24651  
Hours of Operation: 8:00 a.m. - 4:30 p.m.  
Monday through Friday

Town of Lebanon  
Office of the Town Manager  
Contact Person: Michael Duty  
Town Hall, 542 Old Fincastle Road  
P.O. Drawer 309  
Lebanon, Virginia 24266  
Hours of Operation: 8:00 a.m. - 5:00 p.m.  
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Town of Saltville  
Office of the Town Manager  
Contact Person: John E.B. Clark, Jr.  
217 Palmer Avenue  
Saltville, Virginia 24370  
Hours of Operation: 8:30 a.m. - 5:00 p.m.  
Monday through Friday

In addition, the public may review VGDC's application from 8:15 a.m. to 5:00 p.m., Monday through Friday, at the State Corporation Commission Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

Any person desiring to comment in writing on VGDC's application may do so by directing such comments on or before November 1, 1999, to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Those written comments must refer to Case No. PUE990531. Any person desiring to make a statement at the public hearing concerning VGDC's application need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself as a public witness to the Commission's Bailiff.

On or before November 1, 1999, persons desiring to participate as Protestants, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("Rule"), and to present evidence and cross-examine witnesses shall file an original and fifteen (15) copies of a Notice of Protest, as provided in Rule 5:16(a), with the Clerk of



the Commission at the address set forth below and shall serve a copy of the same upon VGDC and all other parties of record. Service upon the Company shall be directed to its counsel, JoAnne L. Nolte, Penn, Stuart, & Eskridge, P.O. Box 617, Richmond, Virginia 23218-0617.

Any person who expects to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant pursuant to Rule 4:6, shall file on or before December 6, 1999, an original and fifteen (15) copies of a Protest conforming to Rule 5:16(b) with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218; referring to Case No. PUE990531, and shall simultaneously send a copy thereof to VGDC's counsel at the address set out herein, and to any other Protestant. The Protestant shall set forth (i) a precise statement of interest of the Protestant in the proceeding; (ii) a full and clear statement of the facts which the Protestant is prepared to prove by competent evidence; (iii) a statement of specific relief sought and the legal basis therefor. Any corporate entity or other entity described in Rule 4:8 that wishes to submit evidence, cross-examine witnesses, or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirements of Rule 4:8 of the Commission's Rules of Practice and Procedure.

On or before December 6, 1999, each Protestant shall file with the Clerk of the Commission an original and fifteen (15) copies of the prepared testimony and exhibits the Protestant intends to present at the February 2, 2000, public hearing and shall simultaneously mail a copy of same to VGDC's counsel at the address set out herein and to other Protestants.

Protestants should review the Commission's Order for Notice and Hearing for instructions regarding discovery and interrogatories.

All written communications to the Commission concerning the Company's application should be directed to Joel H. Peck, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and should refer to Case No. PUE990531.

Individuals with disabilities who require an accommodation to participate in the hearing may contact the Commission at 1-800-552-7945 (voice) or 1-804-371-9026 (TDD). Individuals requesting accommodations should contact the Commission at either of these numbers at least seven (7) days before the scheduled hearing date.

#### VIRGINIA GAS DISTRIBUTION COMPANY

(14) On or before October 15, 1999, VGDC shall serve a copy of this Order on each local government official to whom it provided a copy of its application; service shall be made by delivery of a copy to the usual place of business or by depositing a copy in the United States mail, properly addressed and stamped.

(15) On or before November 1, 1999, VGDC shall file proof of newspaper publication and a certificate of service of copies of the order, including the names and addresses of officials served.